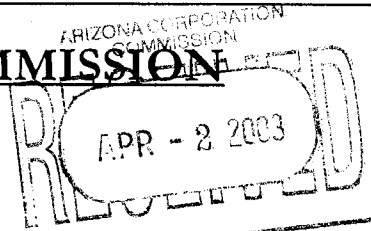


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION



ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

B

W-02526A
Bellemont Water Co.
301 South Ninth
Williams AZ 86046-0000

ANNUAL REPORT

FOR YEAR ENDING

12	31	2002
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12-31-02

FOR COMMISSION USE

ANN 04	02
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COMPANY INFORMATION

Company Name (Business Name) Bellemont Water Company

Mailing Address 301 S. 9th Street
(Street)

Williams
(City)

AZ
(State)

86046
(Zip)

(928) 635-2467

(928) 635-4945

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address Same as above
(Street)

(City)

(State)

(Zip)

Same as above

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: Nona McClain
(Name)

Manager
(Title)

301 S. 9th Street
(Street)

Williams
(City)

AZ
(State)

86046
(Zip)

(928) 635-2467

(928) 635-4945

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: Same as above
(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Statutory Agent: James Rolle III

(Name)

608 E. Missouri Ste E-2

(Street)

Phoenix

(City)

AZ

(State)

85012

(Zip)

(602) 277-4445

Telephone No. (Include Area Code)

(602) 277-4448

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: James Rolle III

(Name)

608 E. Missouri Ste. E-2

(Street)

Phoenix

(City)

AZ

(State)

85012

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☒ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME

Bellemont Water Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	83,486	34,916	37,570
302	Franchises	1,339	737	602
303	Land and Land Rights	23,861		23,861
304	Structures and Improvements	29,360	15,414	13,946
307	Wells and Springs	71,227	35,995	35,232
311	Pumping Equipment	59,236	30,859	28,377
320	Water Treatment Equipment	4,681	1,574	3,107
330	Distribution Reservoirs and Standpipes	47,864	26,324	21,540
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	18,352	2,808	15,544
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	1,553	856	697
340	Office Furniture and Equipment	4,319	2,376	1,943
341	Transportation Equipment	14,656	1,466	13,190
343	Tools, Shop and Garage Equipment	448	245	203
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	360,382	164,570	195,812

This amount goes on the Balance Sheet Acct. No. 108



CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	83,486	5%	4,174
302	Franchises	1,339	5%	67
303	Land and Land Rights	23,861		
304	Structures and Improvements	29,360	5%	1,468
307	Wells and Springs	71,227	5%	3,561
311	Pumping Equipment	59,236	5%	2,962
320	Water Treatment Equipment	4,681	5%	234
330	Distribution Reservoirs and Standpipes	47,864	5%	2,393
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	18,352	5%	918
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	1,553	5%	78
340	Office Furniture and Equipment	4,319	5%	216
341	Transportation Equipment	14,656	5%	733
343	Tools, Shop and Garage Equipment	448	5%	22
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	360,382		16,826

This amount goes on Comparative Statement of Income and Expense
Acct. No. 403.

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 5,388	\$ 6,289
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 5,388	\$ 6,289
	FIXED ASSETS		
101	Utility Plant in Service	\$358,382	\$ 360,382
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	147,744	164,570
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$210,638	\$ 195,812
	TOTAL ASSETS	\$216,026	\$ 202,101

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$ 46,696
232	Notes Payable (Current Portion)	10,546	14,441
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	1,556	1,032
	TOTAL CURRENT LIABILITIES	\$ 12,102	\$ 62,169
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 16,053	\$ 29,462
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$ 28,155	\$ 91,631
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 234,965	\$ 234,965
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(47,094)	(124,495)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 187,871	\$ 110,470
	TOTAL LIABILITIES AND CAPITAL	\$ 216,026	\$ 202,101

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 81,375	\$ 27,962
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 81,375	\$ 27,962
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 8,200	\$ 3,200
610	Purchased Water	6,708	32,098
615	Purchased Power	10,692	7,844
618	Chemicals		
620	Repairs and Maintenance	9,669	5,998
621	Office Supplies and Expense	464	414
630	Outside Services	8,250	4,425
635	Water Testing	375	195
641	Rents	-0-	
650	Transportation Expenses	5,442	2,510
657	Insurance – General Liability	1,111	1,227
659	Insurance - Health and Life	-0-	
666	Regulatory Commission Expense – Rate Case	-0-	
675	Miscellaneous Expense	16,768	24,871
403	Depreciation Expense	16,726	16,826
408	Taxes Other Than Income	2,801	299
408.11	Property Taxes	1,532	3,068
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 88,738	\$ 102,975
	OPERATING INCOME/(LOSS)	\$ (7,363)	\$ (77,013)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	991	2,388
	TOTAL OTHER INCOME/(EXPENSE)	\$ 991	\$ 2,388
	NET INCOME/(LOSS)	\$ (8,354)	\$ (77,401)

COMPANY NAME Bellemont Water Company

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	9/19/89	11/20/00	9/14/01	04/01/02
Source of Loan	Stockholder	Stockholder	Stockholder	Stockholder
ACC Decision No.				
Reason for Loan	Working Capital	System Improvements	Vehicle	Working Capital
Dollar Amount Issued	\$14,265	\$ 14,000	\$ 11,156	\$25,000
Amount Outstanding	\$ 3,579	\$ 10,862	\$ 8,871	\$20,591
Date of Maturity	2001	12/31/02	9/29/06	4/01/03
Interest Rate	5%	10%	9.4%	4%
Current Year Interest	\$ -0-	\$ -0-	\$ 931	\$ 1,457
Current Year Principle	\$ -0-	\$ 857	\$ 1,863	\$ -0-

Meter Deposit Balance at Test Year End \$ 790

Meter Deposits Refunded During the Test Year \$ 50

COMPANY NAME Bellemont Water Company

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
#2	5hp	2	225	6 "	2 "	1989
#3	2hp	0	55	6 "	2 "	1989
#4	5hp	0	110	6 "	2 "	2000

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Santa Fe Wells	30	16,049,000

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10	1		
25	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
100,000	1	5000	1

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	482
5		
6	PVC	1518
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	6
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	1
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

Liquid Chloride

STRUCTURES:

Pumphouse and meter boxes

OTHER:

One generator

COMPANY NAME: Bellemont Water Company

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	7 metered	1587110	
FEBRUARY	Unknown	389202	
MARCH	Standpipe	909221	
APRIL	Standpipe	884715	
MAY	Standpipe	246222	
JUNE	Standpipe	227926	
JULY	Standpipe	530170	
AUGUST	Standpipe	87750	
SEPTEMBER	Standpipe	66918	
OCTOBER	Standpipe	301532	
NOVEMBER	Standpipe	608949	
DECEMBER	Standpipe	327551	
TOTAL		N/A	

416 7265

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (x) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (x) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. 3 ug/l ~~mg/l~~

(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Bellemont Water Company

YEAR ENDING 12/31/2002

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2002 was: \$ 785.88

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME Bellemont Water CompanyYEAR ENDING 12/31/2002**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>-0-</u>
Estimated or Actual Federal Tax Liability	<u>-0-</u>

State Taxable Income Reported	<u>-0-</u>
Estimated or Actual State Tax Liability	<u>50</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>-0-</u>
Amount of Gross-Up Tax Collected	<u>-0-</u>
Total Grossed-Up Contributions/Advances	<u>-0-</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Nona Mc Clain
SIGNATURE

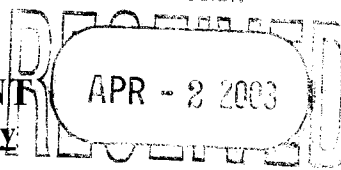
03-30-03
DATE

Nona Mc Clain
PRINTED NAME

Secretary/Treasurer
TITLE

**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only

ARIZONA CORPORATION
COMMISSION



VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Coconino
NAME (OWNER OR OFFICIAL) TITLE	Nona McClain Secretary/Treasure
COMPANY NAME	Bellemont Water Company

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 28,664

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 702
IN SALES TAXES BILLED, OR COLLECTED

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

Nona McClain
SIGNATURE OF OWNER OR OFFICIAL
(928) 635-2467
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

DAY OF

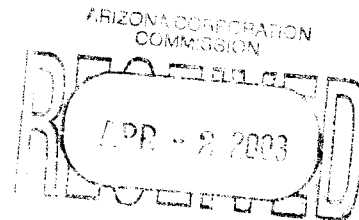
COUNTY NAME	Coconino
MONTH	20

(SEAL)

MY COMMISSION EXPIRES _____

SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) Coconino	
NAME (OWNER OR OFFICIAL) Nona McClain	TITLE Secretary/Treasurer
COMPANY NAME Bellemont Water Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 10968.75

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 702
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Nona McClain
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

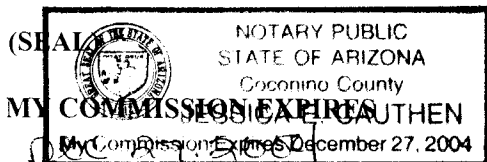
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

21st

DAY OF

NOTARY PUBLIC NAME Jessica E. Caution	
COUNTY NAME Coconino	
MONTH march 21	2003



Jessica E. Caution
SIGNATURE OF NOTARY PUBLIC

SECURITY SENSITIVE DOCUMENT See back for details

BELLEMONT WATER COMPANY
301 S. 9TH ST. 635-2487
WILLIAMS, AZ 86046

3825

DATE 11-18-02

PAY TO THE ORDER OF Cocconino County Treasurer \$ 523.17

Five Hundred, Twenty Three and 17/100 DOLLARS

STOCKMEN'S BANK
Williams Branch 108 S. 9th St., Suite D
Williams, AZ 86046

FOR # 926-00-113E Nona McClain

⑈003825⑈ ⑆122105045⑆ 6010003975⑈ ⑆0000052317⑆

SECURITY SENSITIVE DOCUMENT See back for details

BELLEMONT WATER COMPANY
301 S. 9TH ST. 635-2487
WILLIAMS, AZ 86046

3823

DATE 11-18-02

PAY TO THE ORDER OF Cocconino County Treasurer \$ 262.71

Two Hundred, Sixty Two and 71/100 DOLLARS

STOCKMEN'S BANK
Williams Branch 108 S. 9th St., Suite D
Williams, AZ 86046

FOR 263-00-002E Nona McClain

⑈003823⑈ ⑆122105045⑆ 6010003975⑈ ⑆0000026271⑆